

The Haven, Inc.

Financial Statements
and Independent Auditor's Report
June 30, 2011

The Haven, Inc.

**Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Haven, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, on our consideration of The Haven, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



December 12, 2011

FINANCIAL STATEMENTS SECTION

The Haven, Inc.

**Statement of Financial Position
June 30, 2011**

ASSETS

Current assets:

Cash and cash equivalents	\$ 377,116
Investment	63,667
Prepaid expense	7,228
Unconditional promises to give:	
Corporate grants	29,294
Governmental grants	46,456
Total current assets	<u>523,761</u>

Property and equipment, net of accumulated depreciation of \$139,594	<u>935,488</u>
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TOTAL ASSETS	<u>\$ 1,459,249</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 2,385
Accrued expenses	8,065
Current maturities of long-term debt	22,344
Total current liabilities	<u>32,794</u>

Long-term debt, net of current maturities	<u>424,279</u>
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Total liabilities	<u>457,073</u>
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Net assets:

Unrestricted	972,882
Temporarily restricted	29,294
Total net assets	<u>1,002,176</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,459,249</u>
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See independent auditor's report and accompanying notes.

The Haven, Inc.

Statement of Activities
Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, OTHER SUPPORT, AND RECLASSIFICATION			
Grants:			
Governmental	\$ 473,584	\$ -	\$ 473,584
Corporate	-	83,685	83,685
Contributions	83,900	73,800	157,700
In-kind contributions	78,078	-	78,078
Fundraising	74,544	-	74,544
Miscellaneous income	1,260	-	1,260
Investment income	1,090	-	1,090
Net assets released from restrictions	148,834	(148,834)	-
TOTAL REVENUES, OTHER SUPPORT, AND RECLASSIFICATION	<u>861,290</u>	<u>8,651</u>	<u>869,941</u>
FUNCTIONAL EXPENSES			
Program services			
Domestic violence	529,493	-	529,493
Sexual assault	103,025	-	103,025
Management and general	113,471	-	113,471
Fundraising	9,647	-	9,647
TOTAL FUNCTIONAL EXPENSES	<u>755,636</u>	<u>-</u>	<u>755,636</u>
INCREASE IN NET ASSETS	105,654	8,651	114,305
NET ASSETS, BEGINNING OF PERIOD	<u>867,228</u>	<u>20,643</u>	<u>887,871</u>
NET ASSETS, END OF PERIOD	<u>\$ 972,882</u>	<u>\$ 29,294</u>	<u>\$ 1,002,176</u>

See independent auditor's report and accompanying notes.

The Haven, Inc.

Statement of Functional Expenses Year Ended June 30, 2011

	Program Services		Management and		
	Domestic Violence	Sexual Assault	General	Fundraising	Total
Salaries	\$ 295,932	\$ 65,763	\$ 49,322	\$ -	\$ 411,017
Health insurance	35,737	7,942	5,956	-	49,635
Client assistance	47,621	-	-	-	47,621
Payroll taxes	25,369	5,638	4,228	-	35,235
Interest expense	-	-	28,222	-	28,222
Depreciation	19,506	4,335	3,251	-	27,092
Insurance	14,811	3,291	2,469	-	20,571
Food and house supplies	18,275	-	-	-	18,275
Utilities	12,824	2,850	2,137	-	17,811
Advertising	9,759	2,169	1,626	-	13,554
Telephone	9,557	2,124	1,593	-	13,274
Workers' compensation insurance	8,764	1,948	1,461	-	12,173
Fundraising	-	-	-	9,647	9,647
Dues and subscriptions	6,521	1,449	1,087	-	9,057
Retirement contributions	6,360	1,413	1,060	-	8,833
Office supplies	6,360	1,413	1,060	-	8,833
Accounting fees	-	-	7,674	-	7,674
Miscellaneous	4,444	988	739	-	6,171
Travel and meals	3,877	862	646	-	5,385
Postage	1,818	404	303	-	2,525
Repairs and maintenance	1,290	287	215	-	1,792
Bank charges	656	146	109	-	911
Pest control	-	-	311	-	311
Employee expenses	12	3	2	-	17
Total	<u>\$ 529,493</u>	<u>\$ 103,025</u>	<u>\$ 113,471</u>	<u>\$ 9,647</u>	<u>\$ 755,636</u>

See independent auditor's report and accompanying notes.

The Haven, Inc.

Statement of Cash Flows
Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 114,305
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	27,091
Increase (decrease) in operating assets:	
Unconditional promises to give	26,870
Prepaid expense	(7,227)
Increase (decrease) in operating liabilities:	
Accounts payable	1,339
Accrued expenses	<u>(5,934)</u>

NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES 156,444

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(91,497)
Purchases of investment	<u>(453)</u>

NET CASH FLOWS USED IN INVESTING ACTIVITIES (91,950)

CASH FLOWS USED IN FINANCING ACTIVITIES:

Principal payments of long-term debt	<u>(21,796)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 42,698

BEGINNING CASH AND CASH EQUIVALENTS 334,418

ENDING CASH AND CASH EQUIVALENTS \$ 377,116

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 28,222</u>
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See independent auditor's report and accompanying notes.

The Haven, Inc.

**Notes to Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and interpersonal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

B. BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. INCOME TAXES

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advance letter ruling exempting the Organization from income taxes. (See Note 2)

D. CASH AND CASH EQUIVALENTS

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

E. INVESTMENTS

Investments are stated at cost, which approximates market.

F. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made.

The Haven, Inc.

Notes to Financial Statements As of and for the Year Ended June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

G. PROPERTY AND EQUIPMENT

Property and equipment of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$200 and if they have a useful life of at least one year. Depreciation of all exhaustible property and equipment is calculated using the straight-line method and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation.

H. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. ADVERTISING

Advertising costs are expensed as incurred. Advertising expense totaled \$13,554 for the year ended June 30, 2011.

NOTE 2 – INCOME TAXES

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advance letter ruling from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

The Haven, Inc.

Notes to Financial Statements As of and for the Year Ended June 30, 2011

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Haven, Inc. maintains its cash in one financial institution located in Louisiana. During the year, the Federal Deposit Insurance Corporation (FDIC) insured the Organization's balances up to \$250,000 at this institution, plus additional coverage as the financial institution is enrolled in the FDIC's Transaction Account Guarantee (TAG) program. The Organization's deposits were fully collateralized on June 30, 2011.

NOTE 4 – INVESTMENT

The investment in the accompanying financial statements consists of a \$63,667 certificate of deposit. The six month certificate bears interest of 0.30% and includes a penalty for early withdrawal, which would not be material to the financial statements. The certificate matures on September 19, 2011, and every six months thereafter.

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

Corporate grants/ United Way for South Louisiana	<u>\$ 29,294</u>
Governmental grants/ Office of the Governor/Department of Social Services	\$ 22,737
Office of the Governor/Department of Children and Family Services	8,156
Terrebonne Parish Consolidated Government	3,525
Louisiana Foundation Against Sexual Assault, Inc. Rape Prevention Education	2,503
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	
Domestic Violence Program	2,052
Child Abuse Counseling Program	<u>7,483</u>
	<u>\$ 46,456</u>

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amounts due from United Way for South Louisiana represent the Organization's allocation for the remainder of calendar year 2011 and is temporarily restricted as to the expiration of time restrictions. All other unconditional promises to give are unrestricted.

The Haven, Inc.

Notes to Financial Statements
As of and for the Year Ended June 30, 2011

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment follows:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Buildings	\$ 937,991	\$ 91,497	\$ -	\$ 1,029,488
Furniture, fixtures, and equipment	45,594	-	-	45,594
	983,585	91,497	-	1,075,082
Less: accumulated depreciation	(112,503)	(27,091)	-	(139,594)
Total	<u>\$ 871,082</u>	<u>\$ 64,406</u>	<u>\$ -</u>	<u>\$ 935,488</u>

NOTE 7 – LONG-TERM DEBT

Long-term debt of the Organization as of June 30, 2011 is as follows:

Note payable to a bank dated June 2, 2010 with an interest rate of 5.50%, secured by real estate. Monthly principal and interest payments of \$3,848 are due, with a final balloon payment due on June 2, 2015.	\$ 446,623
Less current maturities	<u>(22,344)</u>
	<u>\$ 424,279</u>

Maturities of long-term debt are as follows:

June 30,	
2012	\$ 22,344
2013	23,090
2014	24,412
2015	<u>376,777</u>
	<u>\$ 446,623</u>

NOTE 8 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets as of June 30, 2011 relates to United Way for South Louisiana funding for the remainder of calendar year 2011 (\$29,294).

The Haven, Inc.

Notes to Financial Statements As of and for the Year Ended June 30, 2011

NOTE 9 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

The following is a summary of in-kind contributions for the year ended June 30, 2011:

	Estimated Market Value
Client assistance	\$ 37,693
Property and equipment	12,890
Advertising	12,500
Food and housekeeping	11,452
Office and shelter supplies	3,543
	<u>\$ 78,078</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

NOTE 10 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, certificate of deposit, unconditional promises to give, accounts payable, and notes payable. Management estimates that the fair value of all financial instruments as of June 30, 2011 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 11 – CORPORATE GRANTS

During the year ended June 30, 2011, the Organization recognized grant revenue from the following corporate grants:

United Way for South Louisiana	\$ 53,000
IOLTA	<u>30,685</u>
Total corporate grants	<u>\$ 83,685</u>

The Haven, Inc.

**Notes to Financial Statements
As of and for the Year Ended June 30, 2011**

NOTE 12 – GOVERNMENTAL GRANTS

During the year ended June 30, 2011, the Organization recognized grant revenue from the following governmental grantors:

State of Louisiana:	
Office of the Governor/Department of Social Services	\$ 286,308
Office of the Governor/Department of Children and Family Services	44,811
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	74,330
Louisiana Foundation Against Sexual Assault, Inc.	28,119
Terrebonne Parish Consolidated Government	<u>40,016</u>
Total governmental grants	<u>\$ 473,584</u>

NOTE 13 – RETIREMENT PLAN

The Organization maintains a SIMPLE IRA retirement plan for the benefit of its employees. Under the plan, employees are allowed to contribute up to \$11,500 of their annual salary. It is available to all employees who meet certain compensation criteria (at least \$5,000 in compensation during any two preceding calendar years and are reasonably expected to receive at least \$5,000 in compensation during the current year). Under the provisions of the plan, the Company matches 3% of a participating employee's annual salary. The expense of the Organization related to this plan was \$8,833 for the year ended June 30, 2011.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 12, 2011, which is the date the financial statements were available to be issued.

On August 4, 2011, the Organization sold its previous office building located at 201 Duet Street to an unrelated third party for \$52,000.

On October 28, 2011, the Organization sold the shelter located at 2002 Deborah Street to an unrelated third party for \$61,000.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Haven, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Haven's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency in internal control over financial reporting. We consider the deficiency

Board of Directors
The Haven, Inc.
Houma, Louisiana

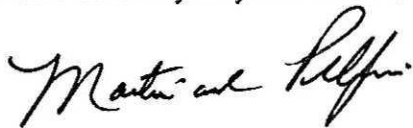
described in the accompanying Schedule of Findings and Responses as item 11-01 to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Haven Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Haven, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit The Haven, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



December 12, 2011

OTHER INFORMATION

The Haven, Inc.

Schedule of Findings and Responses As of and for the Year Ended June 30, 2011

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of The Haven, Inc.
2. One significant control deficiency (see finding 11-01) was noted during the audit of the financial statements. This significant control deficiency was not considered to be a material weakness.
3. No instances of noncompliance or other matters material to the financial statements of The Haven, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the financial statements of The Haven, Inc. were noted during the audit.

Section III – Internal Control Findings

11-01

Statement of Condition: A significant control deficiency in the Organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of The Haven, Inc.'s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of The Haven, Inc. and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

The Haven, Inc.

**Schedule of Findings and Responses
As of and for the Year Ended
June 30, 2011**

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Response: The management of The Haven, Inc. agrees with this finding.

Questioned Costs: \$ -0-

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

The Haven, Inc.

Schedule of Prior Findings and Resolution Matters As of and for the Year Ended June 30, 2010

Note: All prior findings relate to the June 30, 2010 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. The Board will continue to perform the recommendation until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

The Haven, Inc.

**Management's Corrective Action
Plan for Current Year Findings
As of and for the Year Ended
June 30, 2011**

The contact person for all corrective actions noted below is Ms. Julie Pellegrin, Executive Director.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant control deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.